



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 12, 2013

To: The Honorable Sylvia Luke, Chair,
The Honorable Scott Y. Nishimoto, Vice Chair,
The Honorable Aaron Ling Johanson, Vice Chair, and
Members of the House Committee on Finance

Date: February 14, 2013

Time: 2:45 p.m.

Place: Conference Room 308, State Capitol

From: Dwight Y. Takamine, Director
Department of Labor and Industrial Relations (DLIR)

Re: H.B. No. 929 Relating to Employment and Training Assessment

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. No. 929 proposes to amend section 383-129, Hawaii Revised Statutes, to clarify the exemption of the employment and training (E&T) assessment on contributory employers with the maximum rate.

The Department strongly supports this Administration measure to ensure that sections 383-129 and 383-68 are not in conflict.

II. CURRENT LAW

Section 383-129 currently exempts employers with a maximum rate of 5.4% from paying an E&T assessment. Since 1985, the maximum UI tax rate has been 5.4%.

III. COMMENTS ON THE HOUSE BILL

The maximum rate in contribution schedules C through H under section 383-68 were amended in 2012 by Act 263 to vary from 5.4% up to 6.6%. This measure will clearly identify the maximum rated employer on each schedule for purposes of applying section 383-129.

The department respectfully requests that this proposal be enacted before March 8,

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2013 as the E&T assessment is included on the experience rating notice mailed out to the employers in mid-March. The March deadline allows sufficient time for the Department to process the notices and for employers to pay their contributions or appeal on a timely basis.